

Short Title: Real Prop. Partition/Carrying Costs.

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT IN A REAL PROPERTY PARTITION PROCEEDING, A  
COTENANT HAS A RIGHT TO CONTRIBUTION FOR THE COTENANT'S  
PAYMENT OF CARRYING COSTS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 1 of Chapter 46 of the General Statutes is amended by adding  
a new section to read:

**"§ 46-3.2. Carrying costs, property taxes, and rent.**

(a) Right to Contribution; Offset. – In a real property partition proceeding initiated  
under this Chapter, a cotenant has a right to contribution from the other cotenants for the  
cotenant's payment of the real property's carrying costs. The cotenant's right to contribution is  
subject to an offset in the amount of the fair market rental value of the cotenant's occupation of  
the real property.

(b) Application. – At any time during a real property partition proceeding, a cotenant  
may on application assert the cotenant's right to contribution provided in subsection (a) of this  
section. Another cotenant may respond to the cotenant's application by asserting the offset  
provided in subsection (a) of this section.

(c) Definitions. – The following definitions apply in this section:

(1) Carrying costs. – Includes payments for loans to acquire or improve the real  
property, homeowner's insurance, reasonable repairs, and property taxes.

(2) Property taxes. – The amount paid by the cotenant during the 10 years  
preceding the filing of the partition petition, plus interest at the legal rate  
under G.S. 24-1.

1        (d) Scope. – Nothing in this section affects the rights of cotenants outside a real  
2 property partition proceeding initiated under this Chapter."

3                **SECTION 2.** This act becomes effective [October 1, 2018], and applies to real  
4 property partition proceedings commenced on or after that date.